

Washington State Ferries



Route Statements

For Fiscal Years 2014 to 2019

Washington State Ferries FY2019 Route Statements

This document is a description of factors affecting the Route Statements for Fiscal Year 2019 (July 1, 2018 through June 30, 2019), and information regarding cost, ridership, and revenue trends over the past six years (FY2014-FY2019).

Service Changes Over the Six-Year Period (also see chart on page 3)

- At the end of FY14 the first new 144-car Olympic class vessel, the MV Tokitae, replaced the 124-car MV Cathlamet on the Mukilteo-Clinton route. The MV Cathlamet then replaced the MV Evergreen State on the Fauntleroy-Southworth-Vashon route.
- In July 2014 the MV Tacoma was out of service for eight months for repairs needed due to mechanical failure. In order to ensure proper service levels the MV Evergreen State, which was slated for decommissioning at the start of FY15, was reinstated. The MV Evergreen State was subsequently decommissioned 18 months later in December 2015.
- At the end of FY15 the 144-car MV Samish replaced the 90-car MV Sealth on the Anacortes-San Juan Island route, and the MV Sealth replaced the MV Tillikum on the Fauntleroy-Southworth-Vashon route. The MV Tillikum was assigned Service Relief status, and the decommissioning of the MV Hiyu followed in March 2016.
- In June 2017 the 144-car MV Chimacum replaced into the 124-car MV Kitsap on the Seattle-Bremerton route, the MV Kitsap relieved the MV Tillikum as Service Relief, which in turn relieved the MV Klahowya on the San Juan Interisland route, and the MV Klahowya was decommissioned.
- The 144-car MV Suquamish replaced the MV Kittitas on the Mukilteo-Clinton route in July 2018. Then the MV Kittitas replaced the MV Sealth on the Fauntleroy-Southworth-Vashon route, which became a Service Relief vessel.
- The MV Hyak was scheduled for decommissioning when the MV Suquamish was put into service, but was kept to maintain service as a relief for both the MV Tokitae and MV Samish. Each vessel was out consecutively for a few months for warranty work. The MV Hyak was then decommissioned in June 2019.

Ridership Changes

Ridership peaked in FY18 with over 24.6 million riders, dropping in FY 19 by 1.27% to 24,255,000 riders. In FY15 ridership increased by 3.5% and by another 2.0% in FY16. For the first time since FY07, total ridership exceeded 24 million in FY16. FY17 continued the upward, albeit slowing, trend in ridership, increasing 151,000 riders for the year to 24,240,000 riders. FY18 saw the highest ridership of 24,568,000 (1.35% increase) since FY03 (24,515,000). The decrease from FY18 to FY19 was mainly due to a decrease in commuter ridership.

Over the six years the net subsidy per rider has decreased from \$3.03 in FY14 to \$2.74 in FY19. FY19 saw an increase from FY18 in the subsidy from \$2.59 to \$2.74 due to increased costs (see following table).

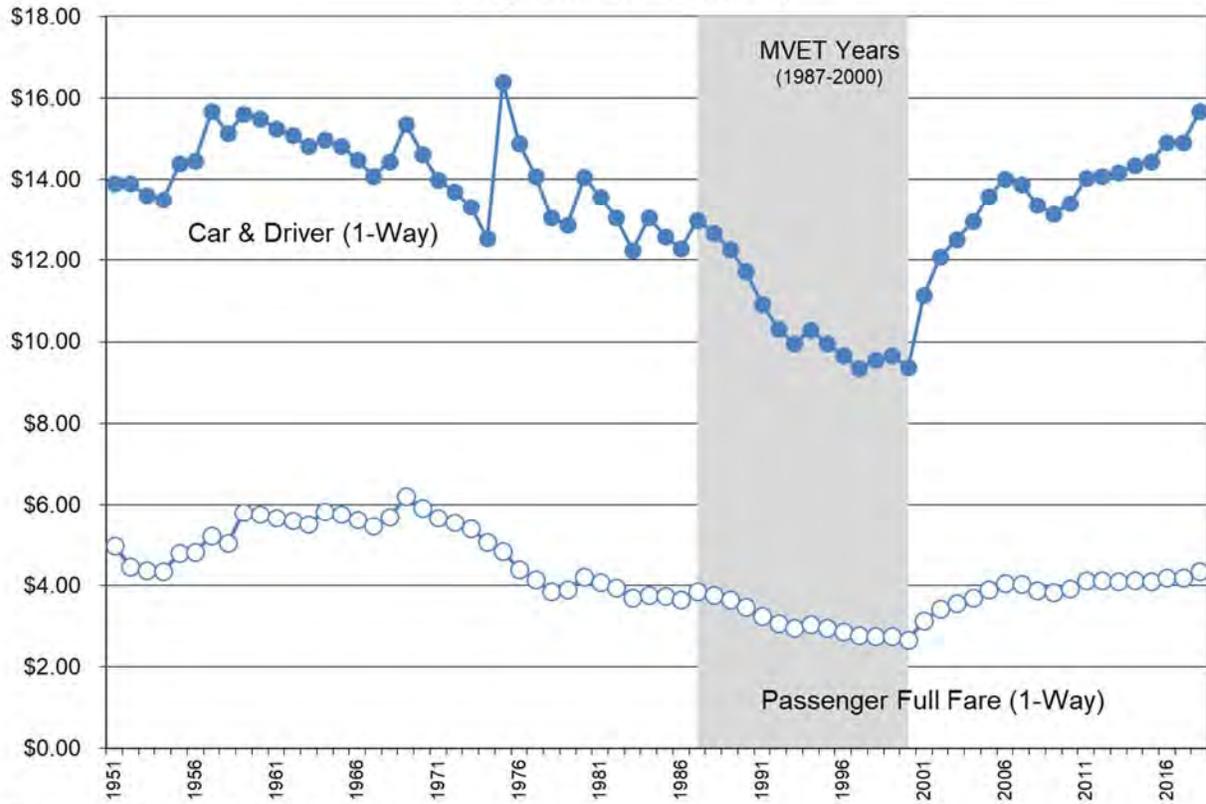
Washington State Ferries FY2019 Route Statements

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Cost per rider	\$10.35	\$9.97	\$10.07	\$9.96	\$10.53	\$10.88
Fare recovery per rider	\$7.17	\$7.27	\$7.37	\$7.55	\$7.68	\$7.89
Miscellaneous Revenue per rider	\$0.19	\$0.16	\$0.17	\$0.18	\$0.20	\$0.25
Net Subsidy per rider	\$3.03	\$2.53	\$2.52	\$2.21	\$2.59	\$2.74

Fare Changes

In FY14 the farebox recovery rate was 69.4% and steadily increased to 75.8% in FY17. In FY18 the farebox recovery declined to 73.0% and in FY19 it declined to 72.5% due to rising costs in all categories. The chart below shows historical fares adjusted for inflation between 1951 and 2019.

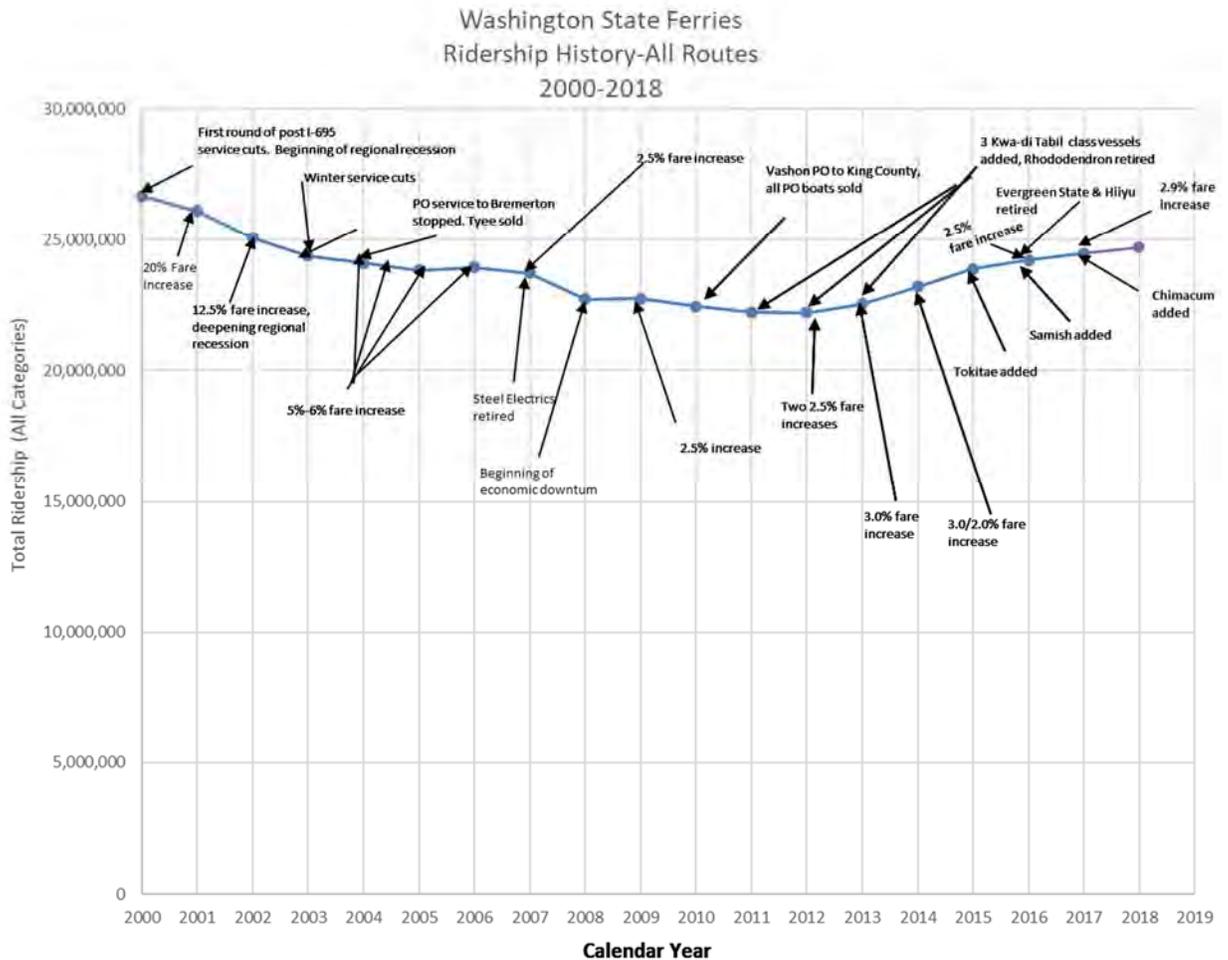
Historic WSF One-way Central Sound Fares (Adjusted for Inflation)



Note: Fares adjusted for inflation using Seattle area CPI

Washington State Ferries FY2019 Route Statements

Another perspective on ridership changes is illustrated in the figure below, which shows fare increases as well as external events that affect ridership.



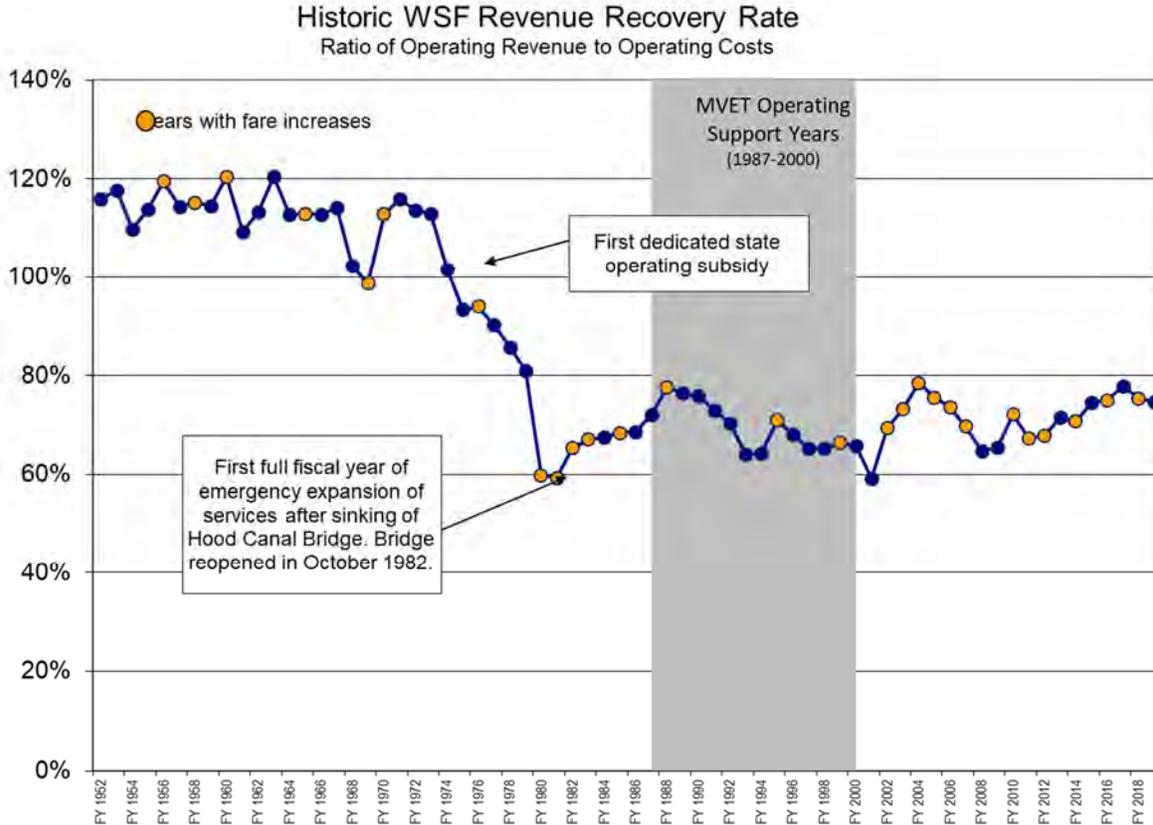
Between 2014 and 2019 overall fare revenue increased by an average of 16.8%.

- Fares were increased twice in FY 14; once in October 2013 (3% for vehicles, 2.5% for passengers), and once in May 2014 (2.5% for vehicles and 2% for passengers). Additionally, the discount for youth fare increased from 20% to 50% in October 2013.
- There were no fare increases in FY15.
- Fares increased twice in FY16; once in October 2015 (2.5% for vehicles, 1% for passengers), and once in May 2016 (2.5% for vehicles, 1% for passengers).
- There were no fare increases in FY17.
- Fares increased once in October 2017; 2.9% for vehicles and 2.1% for passengers.
- Fares increased once in FY2019, during October 2018, 2.5 for vehicles under 22' and 2.1% for passengers.

Washington State Ferries FY2019 Route Statements

Farebox Recovery

Farebox recovery (the percent of operating expenses paid for by fares) decreased in FY19.



Since the loss of the Motor Vehicle Excise Tax (MVET) as a funding source, the Legislature has been subsidizing the operating program with transfers from general transportation resources, primarily the Motor Vehicle Account, the Multimodal, the Highway Safety Account, and the Connecting Washington Account. The funds in these accounts are subject to appropriation every two years and allocated based on funding priorities among all of WSDOT and other transportation agencies. The source of these transfers is becoming severely constrained. In addition to the transfers, revenue from other funds is also used to pay debt service and fund a portion of Ferries' capital program. In FY17, WSF began a non-ordinary maintenance program funded from Federal Transit Administration (FTA) grants. Non-ordinary maintenance included engine rebuilds, turbo chargers, life raft slides, battery backup units and injectors.

Operating Expense Changes

Overall operating expenses increased \$5.4 million from FY18 to FY19 (2.07%).

Labor costs increased \$6.65 million (3.81%) due mostly to:

- Labor contract wage and benefits increases (\$5.4 M)
- Increased overtime (\$0.8 M)
- Increased other pay including Travel Time, Callback pay, and Penalty pay (\$0.3 M)

Washington State Ferries FY2019 Route Statements

Fuel costs were higher (\$2.1 M) from FY18 to FY19 due to increasing fuel prices.

Non-labor costs were \$3.4 M lower from FY18 to FY19 mostly due to:

- \$2.0 M for decreased vessel Non-Ordinary Maintenance expenses (Outside Repairs to Ferries)
- \$1.1 M decreased costs for Outside Repairs to Terminals
- \$0.4 M decreased costs for Ferry Parts & Supplies (not vessel-specific)

Over the six years (FY14-FY19) operating expenditures increased \$27.4 million (+11.6%).

- Increases
 - This is due primarily to \$28.9 million in increased direct vessel (\$23.9 million) and terminal (\$4.96 million) labor costs.
 - Other labor costs increased \$12.7 million.
 - \$2.3 million for a Federal Transit Administration grant for Non-Ordinary Maintenance in vessels maintenance, first established in FY17 increased vessel maintenance costs.
- Decreases
 - This was offset by \$16.6 million in decreased Fuel expenditures due to a continued trend of lower fuel prices.

The following notes describe the changes that occurred in each major expense category in the Route Statements.

Direct Vessel Operating Expense

Labor Costs: Change from prior year (from FY18 to FY19): \$3.6 million increase (+3.3%)
Change over six years (from FY14 to FY19): \$23.9 million increase (+27.3%)

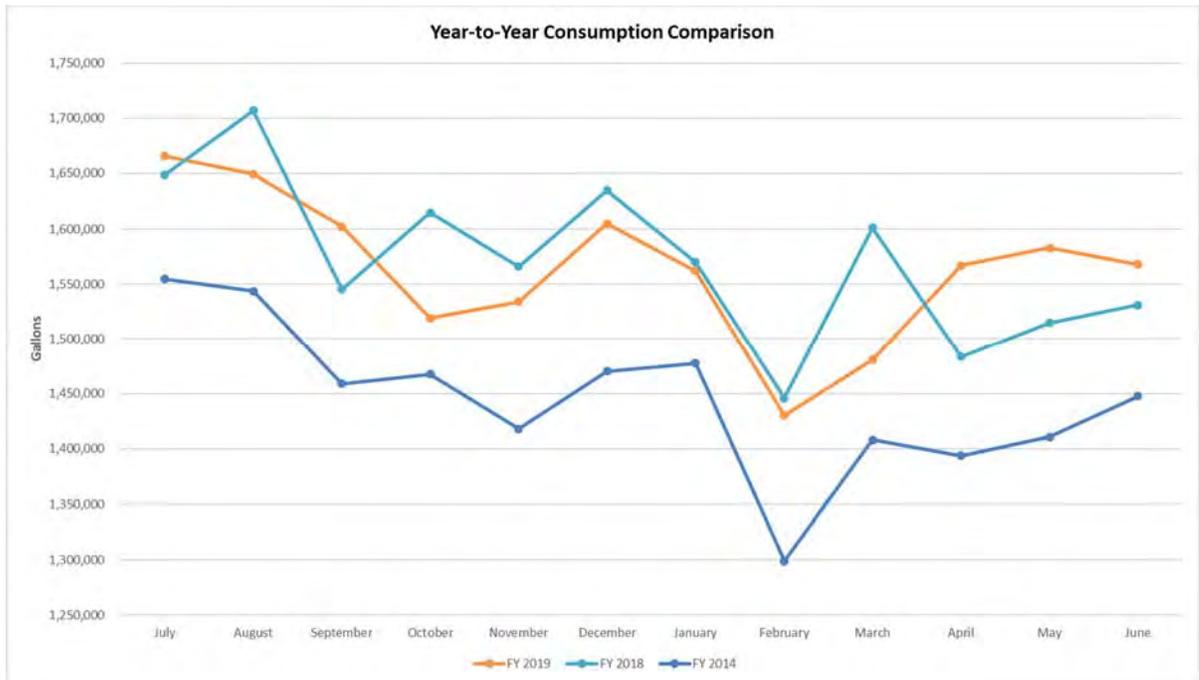
- From FY18 to FY19 there was a \$3.6 million increase (+3.3%) in direct vessel operating labor. During FY19, the MV Hyak was retained past its planned decommissioning date while warranty work was performed for the MV Tokitae and MV Samish. This incurred an increase of \$2.8 million. (The MV Hyak was then decommissioned at the end of the fiscal year.) Additional costs from the 2017-2019 labor contracts included wage increases and other changes in pay (\$0.8 million).
- Over the past six years, labor costs increased \$23.9 million (+27.3%). The majority of this is due to additional costs from labor contracts, which was mostly due to wage increases and other changes in pay (\$30.2 million). In FY17 WSF training was consolidated to Management & Support services which resulted in a \$3.1 million decrease to direct vessel operating costs.

Fuel: Change from prior year (from FY18 to FY19): \$2.1 million increase (6.0%)
Change over six years (from FY14 to FY19): \$16.6 million decrease (-30.3%)

- From FY18 to FY19, fuel expenditures increased despite lower consumption of gallons, due to the price of unhedged gallons being higher than budgeted. In FY18, WSF hedged 75.2% of budgeted consumption (14.2 million of 18.9 million gallons) at an average price of \$1.80 per gallon. In FY19, WSF hedged 55.9% of budgeted consumption (10.6 million of 18.9 million gallons) at an average price of \$1.85 per gallon.

Washington State Ferries FY2019 Route Statements

- Over the six years the price of fuel decreased 29% from an average of \$3.14 per gallon in FY14 to an average of \$2.23 per gallon in FY19.
- Over the past six years, fuel consumption peaked in FY 2019, when WSF consumed 18,863,387 gallons. This increased consumption was due, in part, to four new Olympic Class vessels replacing lower-consumption vessels. By contrast, WSF consumed 1.4 million more gallons in FY 2019 than FY 2014. Only 21 vessels were in service in FY 2014 (excluding the MV Tokitae, which entered service in the last week of June), compared to 23 vessels in FY 2019. In addition, higher-consumption Olympic Class vessels replaced two Evergreen State Class vessels and the Hiyu.



In FY 2019, WSF consumed almost 97,000 fewer gallons than in FY 2018. This can be attributed to several factors, including efforts to reduce vessel speed starting in April 2018, and vessel breakdowns.

Non-Labor: Change from prior year (from FY18 to FY19): \$0.6 million decrease (-5.9%)
Change over six years (from FY14 to FY19): \$24 thousand decrease (-0.3%)

- From FY18 to FY19 there was a decrease of \$0.4 million for Ferries Parts & Supplies, and a \$0.2 million decrease of Supplies & Materials, which was offset by a \$0.1 million increase in Private Automobile Mileage.
- Over the six years, there was a \$0.8 million increase consisting of: Clothing Payments to Vendors (\$0.24 million), Ferries Parts & Supplies (\$0.18 million), Hazardous Materials Disposal (\$0.15 million), Other Services (\$0.12 million), and Private Automobile Mileage (\$0.11 million). This was offset by a \$0.8 million decrease from: Uniform/Tool/Equipment Allowance (\$0.31 million), Training Registration Fees (\$0.23 million), Petroleum Based Products (\$0.16 million), and Supplies & Materials (\$0.13 million).

Washington State Ferries FY2019 Route Statements

Direct Terminal Operating Expense:

Labor: Change from prior year (from FY18 to FY19): \$0.3 million increase (+1.0%)
Change over six years (from FY14 to FY19): \$5.0 million increase (+20.8%)

- The increase from FY18 to FY19 was primarily due to Labor contract wage and benefits increases (\$1.2 million), offset by a decrease in hours at all terminals (\$0.8 million).
- Over the six years the primary increase was \$5.9 million for Labor contract wage and benefits increases. In FY17 WSF Training was consolidated to Management & Support services, which resulted in a \$0.8 million decrease to direct terminal operating costs.

Non-Labor: Change from prior year (from FY18 to FY19): \$21 thousand increase (+0.3%)
Change over six years (from FY14 to FY19): \$0.9 million increase (+14.5%)

- The increase from FY18 to FY19 was primarily due to an increase in Utility costs (\$44 thousand), offset by a decrease in Supplies & Materials (\$62 thousand).
- The majority of the increase over the six-year period is due primarily to increases in Utility costs (\$0.3 million), Payments to Contracted Terminal Agents (\$0.2 million), Property Assessments (\$0.1 million), Services Rendered by Other Government Agencies (\$0.1 million), and Clothing Payments to Vendors/Private Automobile Mileage (\$0.1 million).

Direct Maintenance Expense (including contracted maintenance, Eagle Harbor labor, and materials)

Vessel Maintenance: Change from prior year (from FY18 to FY19): \$1.1 million decrease (-3.8%)
Change over six years (from FY14 to FY19): \$6.2 million increase (+29.7%)

- In FY19 \$2.3 million in Federal Transit Administration (FTA) grant funds were spent on Non-Ordinary Maintenance on the vessels, a \$2.0 million decrease from FY18. Non-Ordinary Maintenance included engine rebuilds, turbo chargers, life raft slides, battery backup units and injectors. In addition the state funded expenses increased \$0.9 million from FY18 to FY19, resulting in an overall decrease of \$1.1 million between FY18 and FY19. The state funded increase was mainly due to an increase of \$1.1 million in Eagle Harbor Vessel Maintenance and Layup Labor, and a \$0.3 million increase in Outside Ferry Repairs, offset by a \$0.5 million decrease in Direct Vessel Maintenance.
- The increase over the six years was mainly due to \$5.4 million in increased Labor, \$2.3 million for the FY19 FTA grant, and \$3.5 million in Direct Vessel Maintenance, offset by a decrease of \$2.3 million in Outside Ferry Repairs, \$1.2 million in Inventory, \$1.2 in Ferry Parts & Supplies, and \$0.2 million in Supplies & Materials.

Washington State Ferries FY2019 Route Statements

Terminal Maintenance: Change from prior year (from FY18 to FY19): \$0.5 million decrease (-4.9%)
Change over six years (from FY14 to FY19): \$0.3 million increase (+3.0%)

- The decrease from FY18 to FY19 was primarily due to a \$1.1 million decrease in Outside Repairs to Terminals, a \$0.2 million decrease in General Terminal Repairs, and a \$0.2 million decrease in Supplies & Materials, offset by \$1.0 million increase for Labor contract wage and benefits.
- The decrease over the six years of \$0.3 million is due primarily to a \$1.5 million increase in Labor contract wage and benefits, offset by a \$0.7 million decrease in Outside Repairs to Terminals, a \$0.4 million decrease due to consolidation of WSF Training to Management & Support services, and a \$0.2 million decrease in General Terminal Repairs.

Management and Support Expense:

Labor: Change from prior year (from FY18 to FY19): \$0.6 million increase (+3.5%)
Change over six years (from FY14 to FY19): \$6.4 million increase (+51.1%)

- The increase from FY18 to FY19 was due to increased staffing for Finance & Administration (\$0.4), and Eagle Harbor Management (\$0.3 million increase), offset by a reduction to training (\$0.1 million).
- The increase over the six years was mainly due to consolidating training within Management & Support services resulting in a \$3.4 million increase. Additional increases include increases to staff for: Finance & Administration (\$1.0 million), Eagle Harbor management (\$0.7 million), Customer Information/Information Agents (\$0.4 million), Planning (\$0.3 million), Operations management (\$0.3 million), Safety (\$0.2 million), and Terminal Engineering (\$0.1 million).

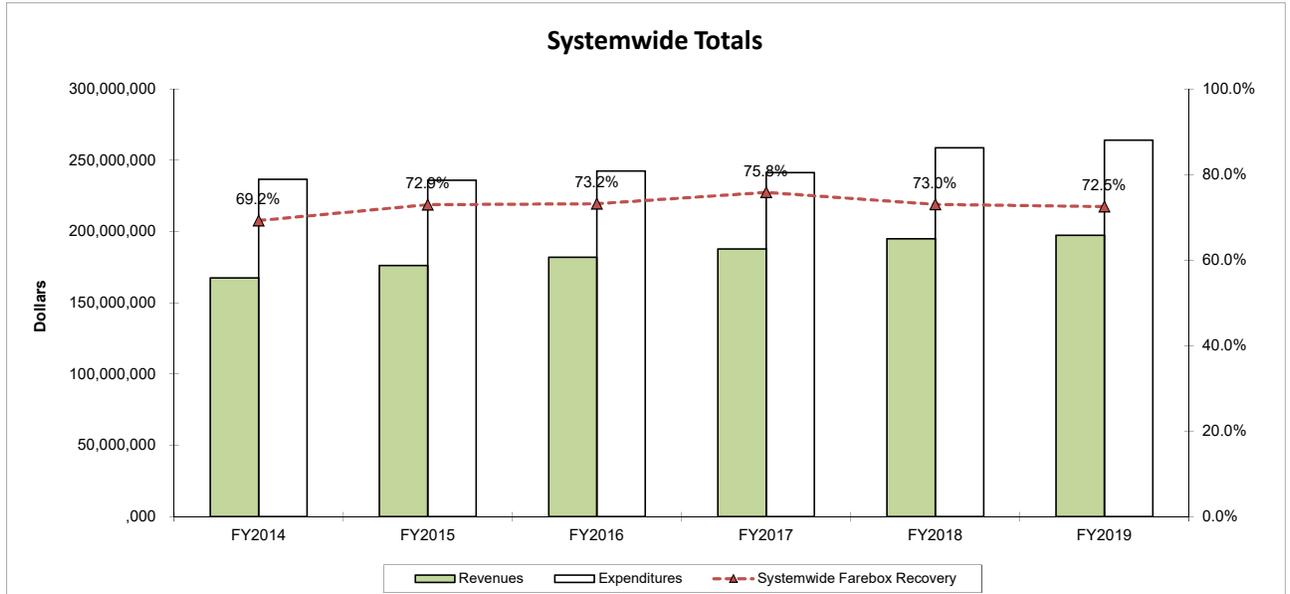
Non-Labor: Change from prior year (from FY18 to FY19): \$0.9 million increase (+7.2%)
Change over six years (from FY14 to FY19): \$1.3 million increase (+11.4%)

- The increase from FY18 to FY19 was mainly due an increase in contractual services for the Vessel Maintenance department (\$0.6 million), and an increase in costs associated with training (\$0.4 million).
- The increase over the six years is due primarily to increases in contractual services for the Vessel Maintenance department (\$0.9 million), costs associated with training (\$0.8 million), and an increase in Merchant Discount Fees (\$0.7 million). This was offset by a decrease in Rent & Leases (\$0.6 million) and decreases to the Operations department (\$0.4 million).

**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Summary - All Routes

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	12,698,000	13,271,000	13,526,000	13,688,000	13,857,000	13,700,000
Vehicle & Driver	10,153,000	10,387,000	10,563,000	10,552,000	10,711,000	10,555,000
TOTAL RIDERS	22,851,000	23,657,000	24,089,000	24,240,000	24,568,000	24,255,000
REVENUE						
Fares	163,779,000	172,071,000	177,437,000	182,952,000	188,744,000	191,281,000
Miscellaneous	3,659,000	4,058,000	4,414,000	4,729,000	6,237,000	6,163,000
TOTAL REVENUE	167,438,000	176,129,000	181,851,000	187,681,000	194,981,000	197,444,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	87,679,000	90,403,000	99,033,000	102,140,000	108,037,000	111,628,000
Fuel	54,672,000	49,855,000	40,474,000	36,500,000	35,940,000	38,084,000
Non-Labor	9,311,000	10,336,000	9,724,000	9,391,000	9,867,000	9,287,000
Total	151,661,000	150,594,000	149,231,000	148,031,000	153,845,000	158,999,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	23,837,000	24,088,000	26,563,000	27,179,000	28,511,000	28,798,000
Non-Labor	6,138,000	6,387,000	6,683,000	6,750,000	7,006,000	7,027,000
Total	29,975,000	30,475,000	33,246,000	33,928,000	35,517,000	35,825,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	20,912,000	20,627,000	24,732,000	25,293,000	28,197,000	27,131,000
Terminal Maintenance	10,044,000	9,612,000	9,851,000	9,712,000	10,871,000	10,344,000
Total	30,956,000	30,239,000	34,583,000	35,005,000	39,068,000	37,475,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	12,545,000	12,758,000	14,224,000	14,124,000	18,323,000	18,956,000
Non-Labor	11,446,000	11,877,000	11,252,000	10,270,000	11,888,000	12,747,000
Total	23,991,000	24,635,000	25,476,000	24,394,000	30,211,000	31,703,000
TOTAL EXPENSES	236,583,000	235,943,000	242,536,000	241,359,000	258,641,000	264,002,000
NET REVENUE/(EXPENSE)	(69,145,000)	(59,814,000)	(60,685,000)	(53,678,000)	(63,660,000)	(66,558,000)
FAREBOX RECOVERY RATIO	69.2%	72.9%	73.2%	75.8%	73.0%	72.5%
TOTAL REVENUE RECOVERY RATIO	70.8%	74.6%	75.0%	77.8%	75.4%	74.8%

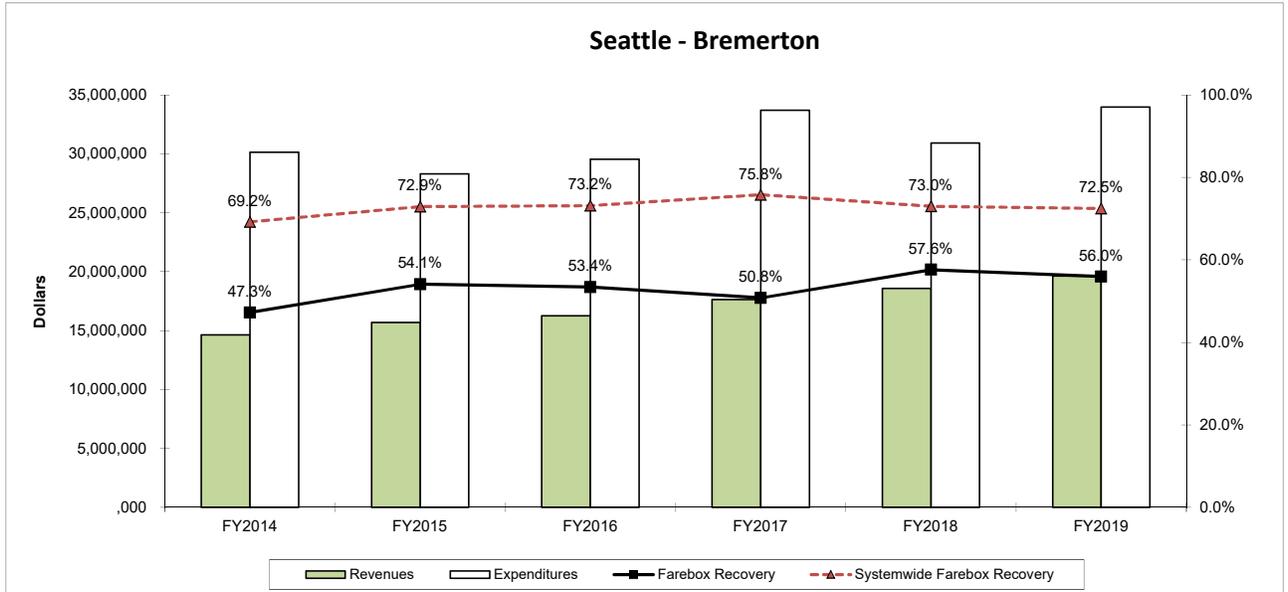


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 10: Seattle - Bremerton

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	1,765,000	1,952,000	2,001,000	2,116,000	2,046,000	2,082,000
Vehicle & Driver	640,000	663,000	662,000	690,000	707,000	691,000
TOTAL RIDERS	2,405,000	2,615,000	2,663,000	2,806,000	2,753,000	2,773,000
REVENUE						
Fares	14,244,000	15,298,000	15,765,000	17,111,000	17,822,000	19,004,000
Miscellaneous	392,000	384,000	500,000	516,000	766,000	635,000
TOTAL REVENUE	14,636,000	15,682,000	16,265,000	17,627,000	18,588,000	19,639,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	10,728,000	10,714,000	11,818,000	13,148,000	13,942,000	14,580,000
Fuel	8,225,000	6,861,000	5,763,000	5,642,000	5,545,000	6,233,000
Non-Labor	1,156,000	1,117,000	1,295,000	1,855,000	1,100,000	1,027,000
Total	20,109,000	18,692,000	18,876,000	20,645,000	20,587,000	21,840,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,545,000	2,621,000	2,890,000	3,055,000	3,185,000	3,268,000
Non-Labor	377,000	444,000	460,000	500,000	436,000	454,000
Total	2,922,000	3,065,000	3,350,000	3,555,000	3,621,000	3,722,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	3,000,000	2,720,000	3,271,000	4,808,000	2,122,000	3,467,000
Terminal Maintenance	1,055,000	854,000	955,000	1,295,000	990,000	858,000
Total	4,055,000	3,574,000	4,226,000	6,103,000	3,112,000	4,325,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,598,000	1,529,000	1,733,000	1,973,000	2,191,000	2,439,000
Non-Labor	1,458,000	1,436,000	1,349,000	1,418,000	1,422,000	1,640,000
Total	3,056,000	2,965,000	3,082,000	3,391,000	3,613,000	4,079,000
TOTAL EXPENSES	30,142,000	28,296,000	29,534,000	33,694,000	30,933,000	33,966,000
NET REVENUE/(EXPENSE)	(15,506,000)	(12,614,000)	(13,270,000)	(16,067,000)	(12,345,000)	(14,327,000)

FAREBOX RECOVERY RATIO	47.3%	54.1%	53.4%	50.8%	57.6%	56.0%
TOTAL REVENUE RECOVERY RATIO	48.6%	55.4%	55.1%	52.3%	60.1%	57.8%

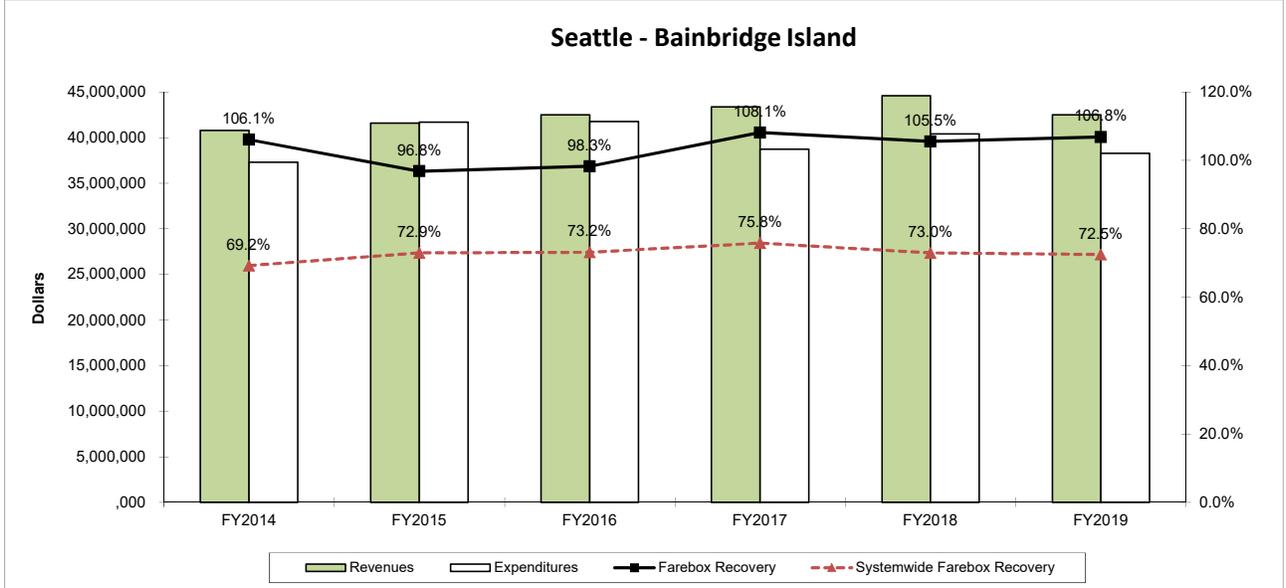


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 20: Seattle - Bainbridge Island

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	4,361,000	4,396,000	4,435,000	4,525,000	4,597,000	4,408,000
Vehicle & Driver	1,969,000	1,956,000	1,953,000	1,921,000	1,918,000	1,808,000
TOTAL RIDERS	6,330,000	6,352,000	6,388,000	6,446,000	6,515,000	6,216,000
REVENUE						
Fares	39,540,000	40,377,000	41,048,000	41,881,000	42,606,000	40,885,000
Miscellaneous	1,239,000	1,200,000	1,445,000	1,476,000	1,967,000	1,621,000
TOTAL REVENUE	40,779,000	41,577,000	42,493,000	43,357,000	44,573,000	42,506,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	12,355,000	12,840,000	14,077,000	14,133,000	14,884,000	15,086,000
Fuel	10,499,000	10,537,000	8,600,000	7,330,000	7,382,000	7,546,000
Non-Labor	1,119,000	1,598,000	1,542,000	1,239,000	1,516,000	1,066,000
Total	23,973,000	24,975,000	24,219,000	22,702,000	23,782,000	23,698,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	5,122,000	5,081,000	5,505,000	5,662,000	5,871,000	5,774,000
Non-Labor	615,000	636,000	706,000	685,000	648,000	630,000
Total	5,737,000	5,717,000	6,211,000	6,347,000	6,519,000	6,404,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	2,207,000	4,236,000	4,921,000	2,555,000	3,376,000	2,164,000
Terminal Maintenance	1,586,000	2,402,000	2,066,000	3,230,000	1,997,000	1,416,000
Total	3,793,000	6,638,000	6,987,000	5,785,000	5,373,000	3,580,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,977,000	2,254,000	2,452,000	2,268,000	2,862,000	2,748,000
Non-Labor	1,804,000	2,117,000	1,908,000	1,630,000	1,857,000	1,848,000
Total	3,781,000	4,371,000	4,360,000	3,898,000	4,719,000	4,596,000
TOTAL EXPENSES	37,284,000	41,701,000	41,777,000	38,733,000	40,393,000	38,278,000
NET REVENUE/(EXPENSE)	3,495,000	(124,000)	716,000	4,624,000	4,180,000	4,228,000

FAREBOX RECOVERY RATIO	106.1%	96.8%	98.3%	108.1%	105.5%	106.8%
TOTAL REVENUE RECOVERY RATIO	109.4%	99.7%	101.7%	111.9%	110.3%	111.0%

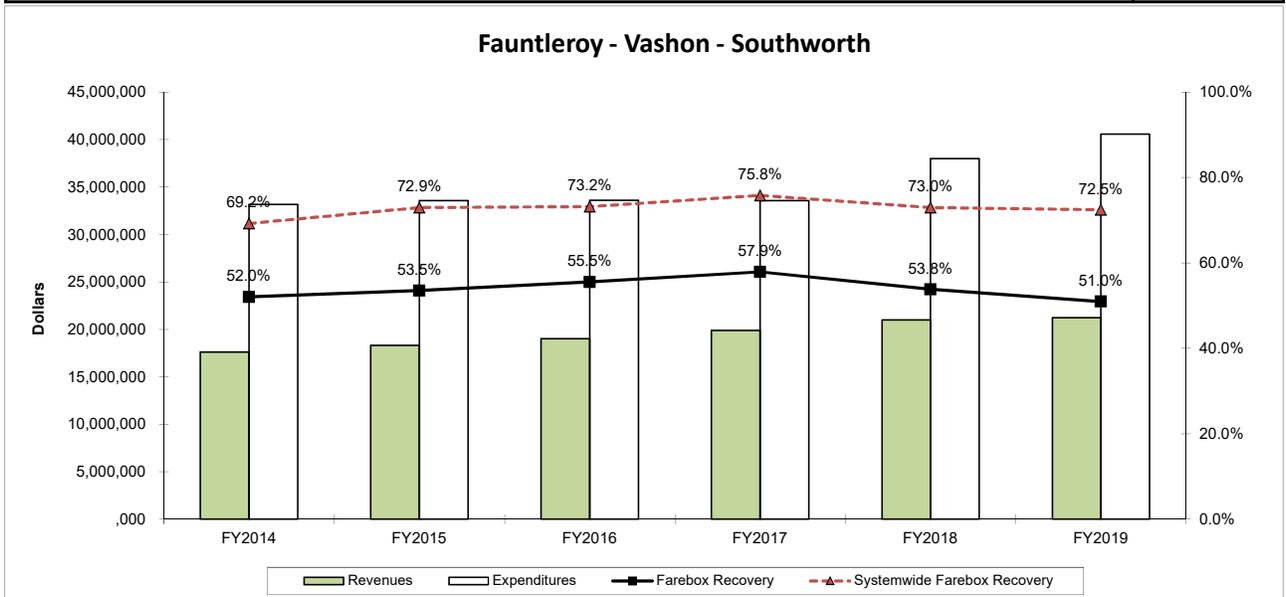


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 30: Fautleroy - Vashon - Southworth

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	1,229,000	1,251,000	1,289,000	1,318,000	1,363,000	1,347,000
Vehicle & Driver	1,687,000	1,697,000	1,728,000	1,745,000	1,782,000	1,750,000
TOTAL RIDERS	2,916,000	2,948,000	3,017,000	3,062,000	3,145,000	3,097,000
REVENUE						
Fares	17,259,000	17,966,000	18,651,000	19,442,000	20,438,000	20,683,000
Miscellaneous	357,000	355,000	353,000	458,000	559,000	536,000
TOTAL REVENUE	17,616,000	18,321,000	19,004,000	19,900,000	20,997,000	21,219,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	13,244,000	13,926,000	15,384,000	15,561,000	16,353,000	16,963,000
Fuel	6,333,000	5,501,000	4,477,000	3,834,000	3,889,000	4,101,000
Non-Labor	965,000	1,064,000	981,000	1,154,000	1,208,000	1,337,000
Total	20,542,000	20,491,000	20,842,000	20,549,000	21,450,000	22,401,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	3,844,000	3,959,000	4,308,000	4,304,000	4,527,000	4,580,000
Non-Labor	386,000	373,000	653,000	506,000	730,000	725,000
Total	4,230,000	4,332,000	4,961,000	4,810,000	5,257,000	5,305,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	3,149,000	3,543,000	2,750,000	3,829,000	4,806,000	6,316,000
Terminal Maintenance	1,885,000	1,791,000	1,366,000	904,000	2,044,000	1,689,000
Total	5,034,000	5,334,000	4,116,000	4,733,000	6,850,000	8,005,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,759,000	1,821,000	1,961,000	1,959,000	2,692,000	2,914,000
Non-Labor	1,605,000	1,605,000	1,710,000	1,526,000	1,746,000	1,960,000
Total	3,364,000	3,426,000	3,671,000	3,485,000	4,438,000	4,874,000
TOTAL EXPENSES	33,170,000	33,583,000	33,590,000	33,577,000	37,995,000	40,585,000
NET REVENUE/(EXPENSE)	(15,554,000)	(15,263,000)	(14,586,000)	(13,677,000)	(16,998,000)	(19,366,000)

FAREBOX RECOVERY RATIO	52.0%	53.5%	55.5%	57.9%	53.8%	51.0%
TOTAL REVENUE RECOVERY RATIO	53.1%	54.6%	56.6%	59.3%	55.3%	52.3%

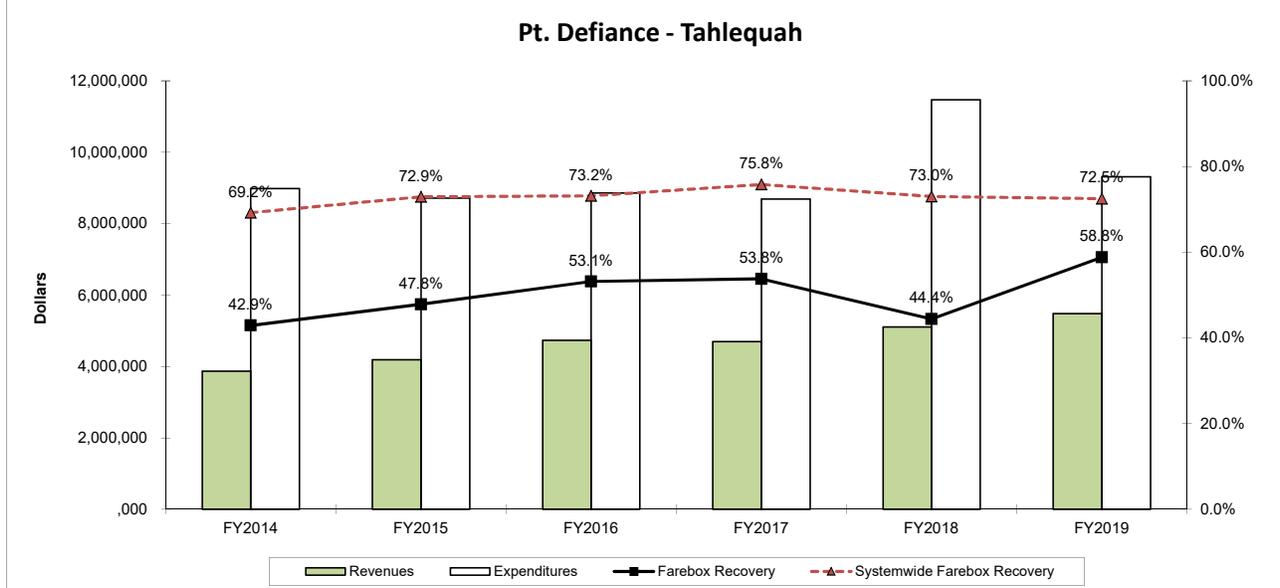


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 40: Pt. Defiance - Tahlequah

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	285,000	302,000	340,000	339,000	365,000	372,000
Vehicle & Driver	409,000	431,000	478,000	466,000	493,000	503,000
TOTAL RIDERS	694,000	733,000	818,000	805,000	858,000	875,000
REVENUE						
Fares	3,855,000	4,170,000	4,705,000	4,670,000	5,093,000	5,475,000
Miscellaneous	16,000	15,000	30,000	28,000	17,000	4,000
TOTAL REVENUE	3,871,000	4,185,000	4,734,000	4,698,000	5,110,000	5,479,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	4,074,000	4,224,000	4,337,000	4,653,000	4,906,000	4,982,000
Fuel	1,131,000	1,003,000	770,000	665,000	696,000	707,000
Non-Labor	497,000	371,000	255,000	286,000	411,000	333,000
Total	5,702,000	5,598,000	5,362,000	5,604,000	6,013,000	6,022,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	990,000	924,000	1,008,000	1,031,000	1,139,000	1,205,000
Non-Labor	72,000	84,000	85,000	95,000	88,000	88,000
Total	1,062,000	1,008,000	1,093,000	1,126,000	1,227,000	1,293,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	775,000	762,000	931,000	649,000	2,454,000	590,000
Terminal Maintenance	537,000	435,000	544,000	432,000	433,000	288,000
Total	1,312,000	1,197,000	1,475,000	1,081,000	2,887,000	878,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	476,000	471,000	520,000	508,000	812,000	669,000
Non-Labor	435,000	443,000	404,000	366,000	527,000	449,000
Total	911,000	914,000	924,000	874,000	1,339,000	1,118,000
TOTAL EXPENSES	8,987,000	8,717,000	8,854,000	8,685,000	11,466,000	9,311,000
NET REVENUE/(EXPENSE)	(5,116,000)	(4,532,000)	(4,120,000)	(3,987,000)	(6,356,000)	(3,832,000)

FAREBOX RECOVERY RATIO	42.9%	47.8%	53.1%	53.8%	44.4%	58.8%
TOTAL REVENUE RECOVERY RATIO	43.1%	48.0%	53.5%	54.1%	44.6%	58.8%

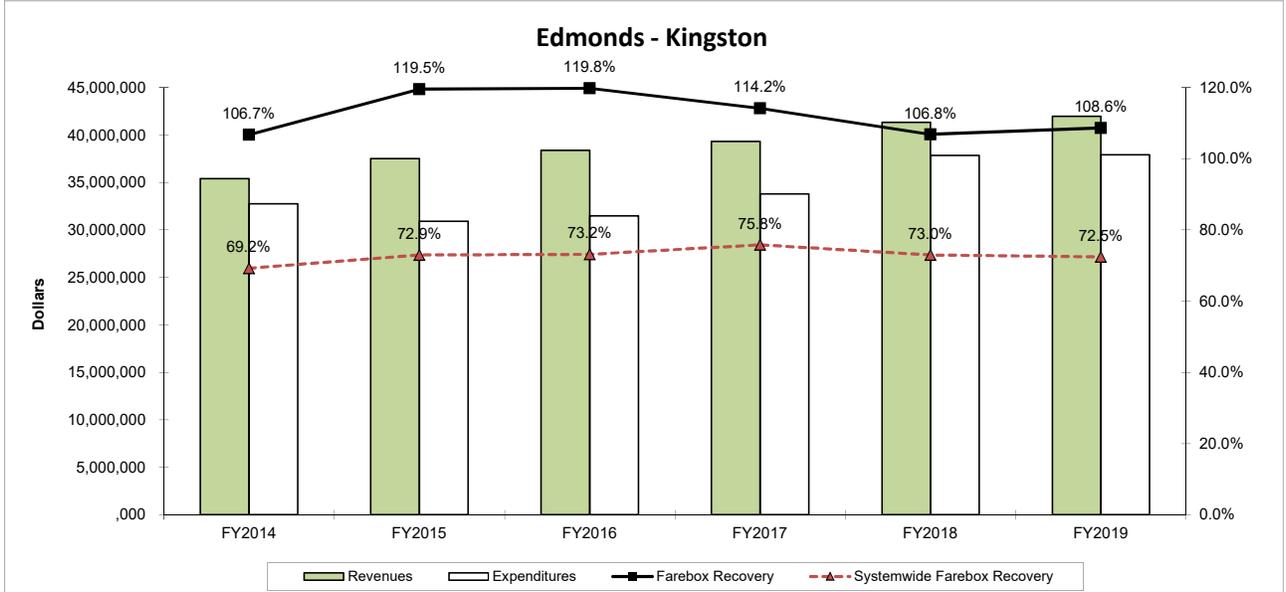


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 50: Edmonds - Kingston

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	1,853,000	1,957,000	1,988,000	1,962,000	2,019,000	2,008,000
Vehicle & Driver	2,067,000	2,127,000	2,131,000	2,120,000	2,170,000	2,157,000
TOTAL RIDERS	3,920,000	4,084,000	4,119,000	4,082,000	4,189,000	4,165,000
REVENUE						
Fares	34,944,000	36,955,000	37,723,000	38,587,000	40,416,000	41,176,000
Miscellaneous	468,000	544,000	665,000	739,000	905,000	787,000
TOTAL REVENUE	35,412,000	37,499,000	38,388,000	39,326,000	41,321,000	41,963,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	11,533,000	11,528,000	12,577,000	13,263,000	13,924,000	14,538,000
Fuel	8,524,000	7,472,000	5,875,000	6,163,000	5,599,000	6,233,000
Non-Labor	1,180,000	1,394,000	1,338,000	1,162,000	1,490,000	1,437,000
Total	21,237,000	20,394,000	19,790,000	20,588,000	21,013,000	22,208,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	4,137,000	4,110,000	4,450,000	4,679,000	4,924,000	4,912,000
Non-Labor	598,000	618,000	595,000	628,000	729,000	681,000
Total	4,735,000	4,728,000	5,045,000	5,307,000	5,653,000	5,593,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	2,659,000	1,391,000	2,575,000	3,411,000	4,489,000	3,150,000
Terminal Maintenance	789,000	1,162,000	799,000	1,095,000	2,268,000	2,415,000
Total	3,448,000	2,553,000	3,374,000	4,506,000	6,757,000	5,565,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,736,000	1,671,000	1,848,000	1,979,000	2,681,000	2,722,000
Non-Labor	1,584,000	1,569,000	1,438,000	1,423,000	1,739,000	1,831,000
Total	3,320,000	3,240,000	3,286,000	3,402,000	4,420,000	4,553,000
TOTAL EXPENSES	32,740,000	30,915,000	31,495,000	33,803,000	37,843,000	37,919,000
NET REVENUE/(EXPENSE)	2,672,000	6,584,000	6,893,000	5,523,000	3,478,000	4,044,000

FAREBOX RECOVERY RATIO	106.7%	119.5%	119.8%	114.2%	106.8%	108.6%
TOTAL REVENUE RECOVERY RATIO	108.2%	121.3%	121.9%	116.3%	109.2%	110.7%

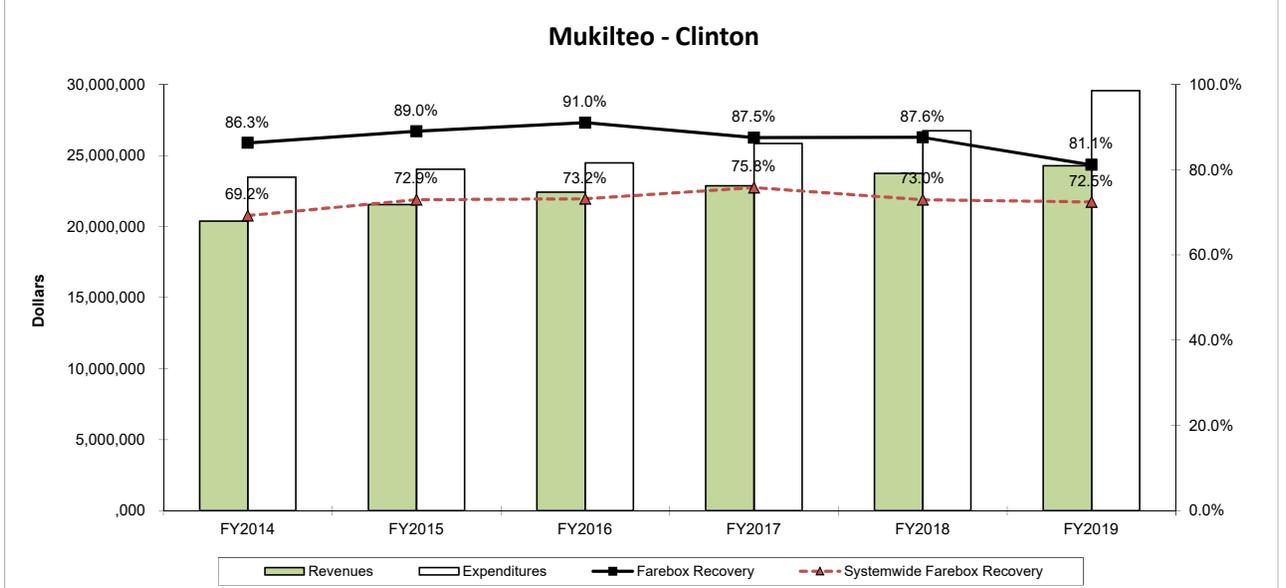


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 60: Mukilteo - Clinton

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	1,779,000	1,860,000	1,871,000	1,825,000	1,864,000	1,862,000
Vehicle & Driver	2,122,000	2,200,000	2,261,000	2,236,000	2,270,000	2,271,000
TOTAL RIDERS	3,901,000	4,060,000	4,132,000	4,061,000	4,134,000	4,133,000
REVENUE						
Fares	20,241,000	21,377,000	22,281,000	22,622,000	23,422,000	23,986,000
Miscellaneous	154,000	166,000	137,000	245,000	329,000	289,000
TOTAL REVENUE	20,395,000	21,543,000	22,418,000	22,866,000	23,751,000	24,275,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	9,939,000	10,518,000	11,323,000	11,625,000	12,580,000	13,377,000
Fuel	3,719,000	3,934,000	3,170,000	2,728,000	2,768,000	3,301,000
Non-Labor	1,106,000	1,059,000	909,000	858,000	791,000	1,329,000
Total	14,764,000	15,511,000	15,402,000	15,211,000	16,139,000	18,007,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	3,111,000	3,131,000	3,376,000	3,483,000	3,708,000	3,802,000
Non-Labor	545,000	553,000	555,000	556,000	636,000	616,000
Total	3,656,000	3,684,000	3,931,000	4,039,000	4,344,000	4,418,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,845,000	1,430,000	1,846,000	3,276,000	2,626,000	2,843,000
Terminal Maintenance	820,000	883,000	742,000	723,000	519,000	745,000
Total	2,665,000	2,313,000	2,588,000	3,999,000	3,145,000	3,588,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	1,244,000	1,299,000	1,436,000	1,514,000	1,895,000	2,123,000
Non-Labor	1,135,000	1,220,000	1,118,000	1,088,000	1,230,000	1,427,000
Total	2,379,000	2,519,000	2,554,000	2,602,000	3,125,000	3,550,000
TOTAL EXPENSES	23,464,000	24,027,000	24,475,000	25,851,000	26,753,000	29,563,000
NET REVENUE/(EXPENSE)	(3,069,000)	(2,484,000)	(2,057,000)	(2,985,000)	(3,002,000)	(5,288,000)

FAREBOX RECOVERY RATIO	86.3%	89.0%	91.0%	87.5%	87.6%	81.1%
TOTAL REVENUE RECOVERY RATIO	86.9%	89.7%	91.6%	88.5%	88.8%	82.1%

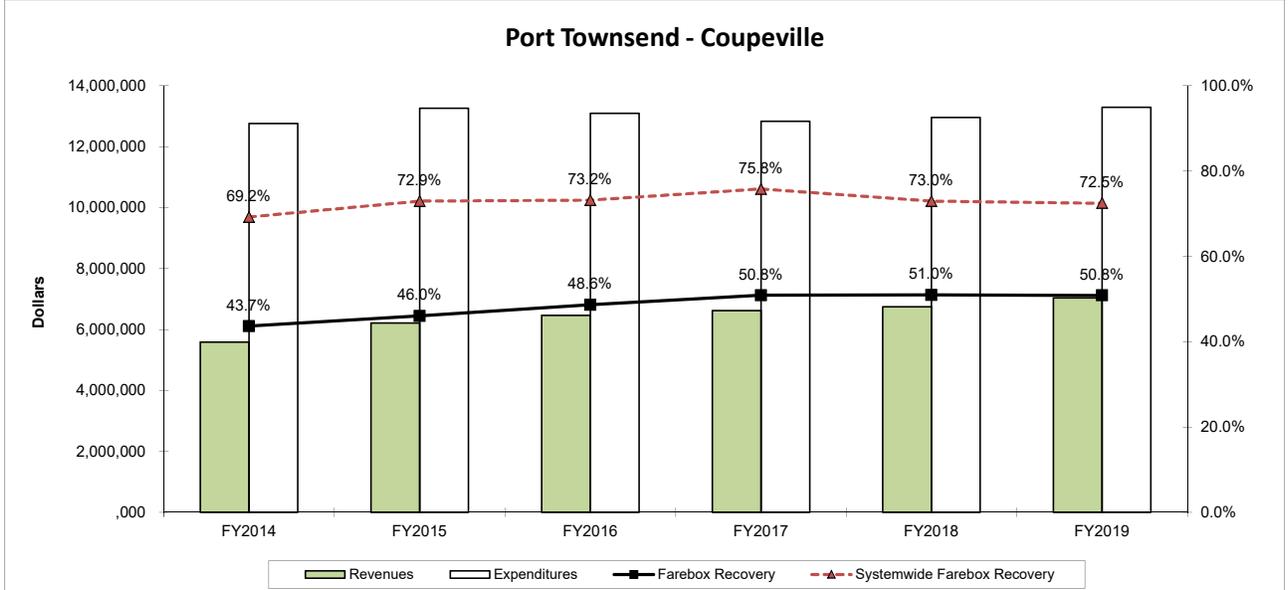


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 70: Port Townsend - Coupeville

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	365,000	409,000	436,000	446,000	452,000	452,000
Vehicle & Driver	328,000	355,000	368,000	374,000	374,000	372,000
TOTAL RIDERS	693,000	764,000	804,000	820,000	826,000	824,000
REVENUE						
Fares	5,568,000	6,103,000	6,366,000	6,526,000	6,602,000	6,758,000
Miscellaneous	24,000	106,000	95,000	94,000	144,000	277,000
TOTAL REVENUE	5,592,000	6,209,000	6,461,000	6,620,000	6,746,000	7,035,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	4,935,000	5,248,000	5,633,000	5,526,000	5,790,000	5,900,000
Fuel	2,127,000	1,793,000	1,575,000	1,291,000	1,225,000	1,294,000
Non-Labor	621,000	655,000	597,000	459,000	513,000	494,000
Total	7,683,000	7,696,000	7,805,000	7,276,000	7,528,000	7,688,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	1,575,000	1,639,000	1,851,000	1,865,000	1,926,000	1,985,000
Non-Labor	223,000	217,000	230,000	227,000	231,000	244,000
Total	1,798,000	1,856,000	2,081,000	2,092,000	2,157,000	2,229,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	1,396,000	1,724,000	1,572,000	1,644,000	1,215,000	1,310,000
Terminal Maintenance	585,000	594,000	270,000	532,000	542,000	471,000
Total	1,981,000	2,318,000	1,842,000	2,176,000	1,757,000	1,781,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	676,000	717,000	769,000	751,000	918,000	955,000
Non-Labor	617,000	673,000	598,000	540,000	595,000	642,000
Total	1,293,000	1,390,000	1,367,000	1,291,000	1,513,000	1,597,000
TOTAL EXPENSES	12,755,000	13,260,000	13,095,000	12,835,000	12,955,000	13,295,000
NET REVENUE/(EXPENSE)	(7,163,000)	(7,051,000)	(6,634,000)	(6,215,000)	(6,209,000)	(6,260,000)

FAREBOX RECOVERY RATIO	43.7%	46.0%	48.6%	50.8%	51.0%	50.8%
TOTAL REVENUE RECOVERY RATIO	43.8%	46.8%	49.3%	51.6%	52.1%	52.9%

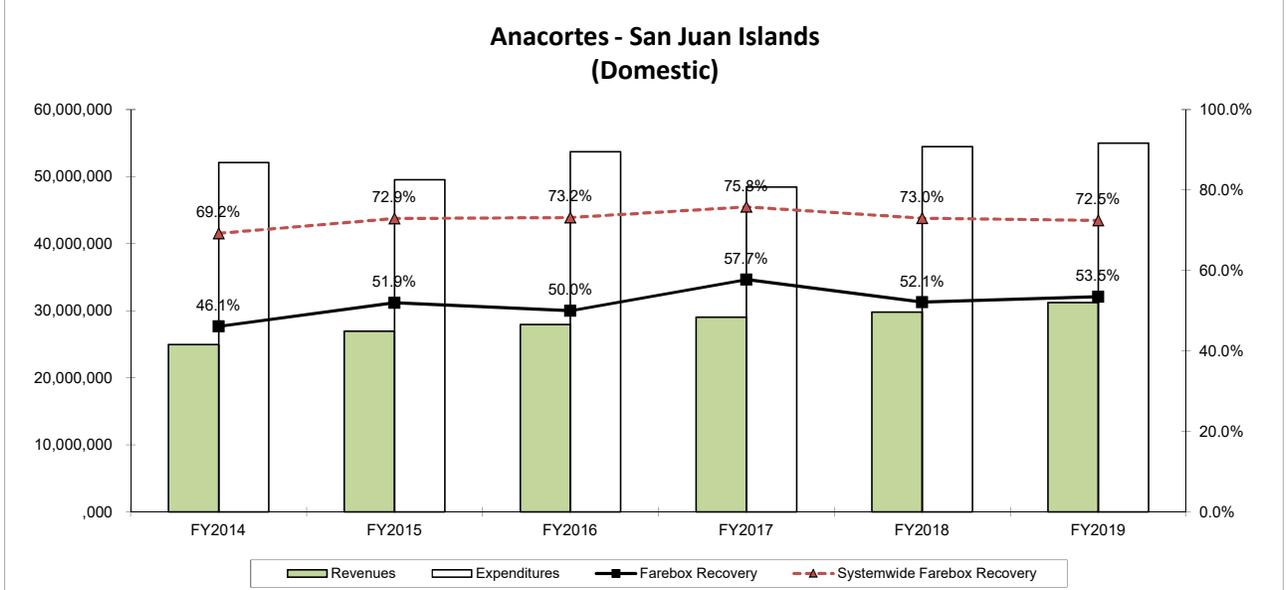


**ROUTE STATEMENT SUMMARY
FISCAL YEAR 2014 - 2019**

Route 80: Anacortes - San Juan Islands (Domestic)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	967,000	1,051,000	1,073,000	1,063,000	1,064,000	1,082,000
Vehicle & Driver	881,000	909,000	935,000	953,000	952,000	959,000
TOTAL RIDERS	1,848,000	1,960,000	2,008,000	2,016,000	2,016,000	2,041,000
REVENUE						
Fares	24,016,000	25,719,000	26,837,000	27,954,000	28,372,000	29,392,000
Miscellaneous	925,000	1,213,000	1,105,000	1,082,000	1,429,000	1,827,000
TOTAL REVENUE	24,941,000	26,932,000	27,942,000	29,036,000	29,802,000	31,219,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	19,019,000	19,554,000	21,863,000	22,118,000	23,445,000	24,109,000
Fuel	12,528,000	11,358,000	9,182,000	7,672,000	7,947,000	7,825,000
Non-Labor	2,403,000	2,760,000	2,516,000	2,129,000	2,514,000	2,046,000
Total	33,950,000	33,672,000	33,561,000	31,919,000	33,906,000	33,980,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	2,242,000	2,369,000	2,866,000	2,799,000	2,926,000	2,983,000
Non-Labor	2,628,000	2,751,000	2,808,000	2,950,000	2,886,000	2,976,000
Total	4,870,000	5,120,000	5,674,000	5,749,000	5,812,000	5,959,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	5,346,000	4,147,000	5,942,000	4,503,000	6,410,000	6,382,000
Terminal Maintenance	2,658,000	1,404,000	2,930,000	1,380,000	1,986,000	2,057,000
Total	8,004,000	5,551,000	8,872,000	5,883,000	8,396,000	8,439,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	2,763,000	2,677,000	3,152,000	2,835,000	3,859,000	3,948,000
Non-Labor	2,521,000	2,514,000	2,453,000	2,038,000	2,504,000	2,655,000
Total	5,284,000	5,192,000	5,605,000	4,873,000	6,363,000	6,603,000
TOTAL EXPENSES	52,108,000	49,535,000	53,712,000	48,424,000	54,477,000	54,981,000
NET REVENUE/(EXPENSE)	(27,167,000)	(22,603,000)	(25,770,000)	(19,388,000)	(24,676,000)	(23,762,000)

FAREBOX RECOVERY RATIO	46.1%	51.9%	50.0%	57.7%	52.1%	53.5%
TOTAL REVENUE RECOVERY RATIO	47.9%	54.4%	52.0%	60.0%	54.7%	56.8%



ROUTE STATEMENT SUMMARY

FISCAL YEAR 2014 - 2019

Route 85: Anacortes - Sidney

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
TRAFFIC						
Passenger	93,000	93,000	93,000	94,000	87,000	87,000
Vehicle & Driver	50,000	49,000	47,000	48,000	45,000	44,000
TOTAL RIDERS	143,000	142,000	140,000	142,000	132,000	131,000
REVENUE						
Fares	4,111,000	4,107,000	4,061,000	4,159,000	3,973,000	3,922,000
Miscellaneous	85,000	75,000	85,000	92,000	121,000	187,000
TOTAL REVENUE	4,196,000	4,182,000	4,146,000	4,251,000	4,094,000	4,109,000
DIRECT VESSEL OPERATING EXPENSE						
Labor	1,852,000	1,851,000	2,021,000	2,113,000	2,214,000	2,093,000
Fuel	1,586,000	1,395,000	1,062,000	1,174,000	889,000	844,000
Non-Labor	264,000	318,000	291,000	249,000	324,000	218,000
Total	3,702,000	3,564,000	3,374,000	3,536,000	3,427,000	3,155,000
DIRECT TERMINAL OPERATING EXPENSE						
Labor	271,000	254,000	309,000	300,000	305,000	289,000
Non-Labor	694,000	712,000	591,000	603,000	622,000	613,000
Total	965,000	966,000	900,000	903,000	927,000	902,000
DIRECT MAINTENANCE EXPENSE						
Vessel Maintenance	536,000	673,000	924,000	617,000	699,000	909,000
Terminal Maintenance	129,000	87,000	179,000	121,000	92,000	405,000
Total	665,000	760,000	1,103,000	738,000	791,000	1,314,000
MANAGEMENT AND SUPPORT EXPENSE						
Labor	315,000	319,000	352,000	337,000	413,000	438,000
Non-Labor	287,000	300,000	274,000	242,000	268,000	295,000
Total	602,000	619,000	626,000	579,000	681,000	733,000
TOTAL EXPENSES	5,934,000	5,909,000	6,003,000	5,757,000	5,825,000	6,104,000
NET REVENUE/(EXPENSE)	(1,738,000)	(1,727,000)	(1,857,000)	(1,506,000)	(1,732,000)	(1,995,000)

FAREBOX RECOVERY RATIO	69.3%	69.5%	67.6%	72.2%	68.2%	64.2%
TOTAL REVENUE RECOVERY RATIO	70.7%	70.8%	69.1%	73.8%	70.3%	67.3%

